

US punishes Microsoft over alleged visa abuse

Vance accuses colleges of fraud in H-1B program

By Erica L. Green

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WASHINGTON — Vice President JD Vance announced Thursday that Microsoft would be suspended from using a visa program that allowed foreign workers to permanently reside in the United States after an investigation found that the tech giant had “abused” the system.

Vance made the announcement at a news conference where he and other Trump administration officials made a slew of allegations that American companies and universities — including Harvard and MIT — were committing visa fraud. Microsoft, they said, is just the largest of several technology companies to face such a suspension, and universities are now under investigation.

Vance took aim at the embattled H-1B visa program, which allows companies to hire skilled foreign workers for hard-to-fill jobs. The Trump administration has sought to overhaul the program, including imposing fees for the visas, claiming that it has unfairly allowed companies to sideline Americans and hire foreign workers. Vance has called the program “broken” and said he would support eliminating it.

Vance said Thursday that companies such as Microsoft had been using the H-1B visa program to exploit the Labor Department’s permanent labor certification program, known as PERM, which allows H-1B visa recipients to obtain green cards and potentially stay in the United States indefinitely.

Officials said that other companies suspended from PERM would include Adobe and several large information technology outsourcing firms. Vance said the suspension would “last as long as it needs to.”

The announcement Thursday, which included officials from several agencies, was the latest attempt by the administration to seize on purported fraud to argue that exploitation of the country’s immigration system has been depriving Americans of jobs, wages, and paths to prosperity.

“The Department of Labor is taking historic action by shutting down the pipeline of systemic fraud, the fraud that has flooded our country with foreign labor at the expense of American workers,” Labor Secretary Keith Sonderling said. “It begins with universities and companies that have turned into visa mills.”

Vance directed his harshest criticism at Microsoft, saying there had been no company “that has abused this system more.”

Vance said that in the past year, the company had laid off 6,000 American workers, while it benefited from 6,300 H-1B visas and nearly 3,000 green cards. He referred to the visa holders as “indentured servants” who were paid a fraction of what their American counterparts would be.

In a statement, Microsoft said the “vast majority” of its employees in the United States are citizens. It said that of the roughly 6,000 H-1B applications it made last fiscal year, 80 percent were to extend or change the status of existing Microsoft employees. The remaining applications were for people already legally in the country.